

## **Wilson Urges Commerce Secretary Locke to Fix Unfair Trade Practices**

WASHINGTON, DC - Congressman Charlie Wilson (OH-6) was joined by members of the Congressional Steel Caucus in urging U.S. Commerce Secretary Gary Locke to remedy certain unfair trade practices. Currently, some companies are abusing the Foreign-Trade Zone (area within the United States that receives the same customs treatment as if it were outside the U.S.) program in order to avoid paying antidumping duties. The practice circumvents current U.S. trade laws and poses a very serious threat to U.S. industries targeted by unfair imports and their workers.

The text of the letter to Secretary Locke, which was sent today, follows:

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September 11, 2009

The Honorable Gary Locke  
Secretary of Commerce  
1401 Constitution Avenue, N.W.  
Washington, DC 20230

Dear Mr. Secretary:

As members of the Congressional Steel Caucus we want to express our deep concern about the use of the Foreign-Trade Zones (FTZ) program as a means of undermining the trade relief that domestic industries have obtained under the antidumping and countervailing duty laws.

It has come to our attention that companies are now requesting FTZ subzones in order to be able to consume dumped inputs from China and other countries to produce exported merchandise at their U.S. plants without paying antidumping duties. This device evades compliance with U.S. trade laws and poses a very serious threat to U.S. industries targeted by unfair imports and their workers.

The steel industry, other domestic producers, and labor unions that rely on the antidumping and countervailing duty laws are gravely concerned about this new duty-avoidance strategy. In the current economic environment where plants shutdowns and job losses are common in our districts, it is particularly critical that the Foreign-Trade Zones Board not allow this device to be used to undercut our trade laws as they were intended to be implemented.

We recognize that the Board requires antidumping and countervailing duties to be paid when merchandise produced in an FTZ using dumped or subsidized inputs enters the U.S. for consumption. However, that Board requirement does not address the use of subzones to avoid paying antidumping and countervailing duties when products made in an FTZ with dumped or subsidized inputs are exported.

Recently there was a hearing before the Foreign-Trade Zone Board regarding this important issue, in response we urge you to close the Foreign-Trade Zones loophole and take the necessary steps to see that the Foreign-Trade Zones program is not jeopardized by the approval of subzones that undercut our trade laws.

Thank you for your prompt attention to this matter. Please do not hesitate to contact any of our offices if you need additional information.

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